SECOND REGULAR SESSION

HOUSE JOINT RESOLUTION NO. 68

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES DAVIS (Sponsor), BIVINS, WELLS,
RUESTMAN AND STEVENSON (Co-sponsors).

4085L.01I D. ADAM CRUMBLISS, Chief Clerk

JOINT RESOLUTION

Submitting to the qualified voters of Missouri an amendment repealing sections 4(b), 6, and 8 of article X of the Constitution of Missouri, and adopting three new sections in lieu thereof relating to property taxation.

Be it resolved by the House of Representatives, the Senate concurring therein:

That at the next general election to be held in the state of Missouri, on Tuesday next following the first Monday in November, 2010, or at a special election to be called by the governor for that purpose, there is hereby submitted to the qualified voters of this state, for adoption or rejection, the following amendment to article X of the Constitution of the state of Missouri:

Section A. Sections 4(b), 6, and 8, article X, Constitution of Missouri, are repealed and three new sections adopted in lieu thereof, to be known as sections 4(b), 6, and 8, to read as follows:

Section 4(b). **Beginning January 1, 2011,** property in **[**classes**]** **class** 1 **[**and 2**]** and subclasses of **[**those classes**]** **that class**, shall be **[**assessed**]** **valued** for tax purposes at its **true** value **[**or such percentage of its value as may be fixed by law for each class and for each subclass**]** **in money and all tax revenue derived from such property by the state and all political subdivisions shall not exceed one percent of such value for any tax year**. Property in class 3 and its subclasses shall be taxed only to the extent authorized and at the rate fixed by law for each class and subclass, and the tax shall be based on the annual yield and shall not exceed eight percent thereof. Property in class 1 shall be subclassed in the following classifications:

EXPLANATION — Matter enclosed in bold-faced brackets **[**thus**]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

(1) Residential property;

(2) Agricultural and horticultural property;

(3) Utility, industrial, commercial, railroad, and all other property not included in subclasses (1) and (2) of class 1. Property in the subclasses of class 1 may be defined by law, however subclasses (1), (2), and (3) shall not be further divided, provided, land in subclass (2) may by general law be assessed for tax purposes on its productive capability. The same percentage of value shall be applied to all properties within any subclass. **[**No classes or subclass shall have a percentage of its true value in money in excess of thirty-three and one-third percent.**]**

Section 6. **[**1.**]** All **real** property**[**, real and personal,**]** of the state, counties and other political subdivisions, and nonprofit cemeteries, shall be exempt from taxation; **[**all personal property held as industrial inventories, including raw materials, work in progress and finished work on hand, by manufacturers and refiners, and all personal property held as goods, wares, merchandise, stock in trade or inventory for resale by distributors, wholesalers, or retail merchants or establishments shall be exempt from taxation;**]** and all **real** property**[**, real and personal,**]** not held for private or corporate profit and used exclusively for religious worship, for schools and colleges, for purposes purely charitable, for agricultural and horticultural societies, or for veterans' organizations may be exempted from taxation by general law. **[**In addition to the above, household goods, furniture, wearing apparel and articles of personal use and adornment owned and used by a person in his home or dwelling place may be exempt from taxation by general law but any such law may provide for approximate restitution to the respective political subdivisions of revenues lost by reason of the exemption.**]** **Beginning January 1, 2011, all property in class 2 is hereby exempt from taxation, and any political subdivision which previously imposed a tax on property in class 2 is hereby authorized to levy and impose, with voter approval, a sales and use tax in an amount equal to or less than revenue lost as a result of the tangible personal property exemption. Beginning January 1, 2011, any political subdivision with a loss in revenue as a result of the valuation limit established in section 4(b) of this article is hereby authorized to levy and impose, with voter approval, a sales and use tax equal to or less than such revenue loss.** All laws exempting from taxation property other than the property enumerated in this article, shall be void. **[**The provisions of this section exempting certain personal property of manufacturers, refiners, distributors, wholesalers, and retail merchants and establishments from taxation shall become effective, unless otherwise provided by law, in each county on January 1 of the year in which that county completes its first general reassessment as defined by law.

2. All revenues lost because of the exemption of certain personal property of manufacturers, refiners, distributors, wholesalers, and retail merchants and establishments shall be replaced to each taxing authority within a county from a countywide tax hereby imposed on

all property in subclass 3 of class 1 in each county. For the year in which the exemption becomes effective, the county clerk shall calculate the total revenue lost by all taxing authorities in the county and extend upon all property in subclass 3 of class 1 within the county, a tax at the rate necessary to produce that amount. The rate of tax levied in each county according to this subsection shall not be increased above the rate first imposed and will stand levied at that rate unless later reduced according to the provisions of subsection 3. The county collector shall disburse the proceeds according to the revenue lost by each taxing authority because of the exemption of such property in that county. Restitution of the revenues lost by any taxing district contained in more than one county shall be from the several counties according to the revenue lost because of the exemption of property in each county. Each year after the first year the replacement tax is imposed, the amount distributed to each taxing authority in a county shall be increased or decreased by an amount equal to the amount resulting from the change in that district's total assessed value of property in subclass 3 of class 1 at the countywide replacement tax rate. In order to implement the provisions of this subsection, the limits set in section 11(b) of this article may be exceeded, without voter approval, if necessary to allow each county listed in section 11(b) to comply with this subsection.

3. Any increase in the tax rate imposed pursuant to subsection 2 of this section shall be decreased if such decrease is approved by a majority of the voters of the county voting on such decrease. A decrease in the increased tax rate imposed under subsection 2 of this section may be submitted to the voters of a county by the governing body thereof upon its own order, ordinance, or resolution and shall be submitted upon the petition of at least eight percent of the qualified voters who voted in the immediately preceding gubernatorial election.

4. As used in this section, the terms "revenues lost" and "lost revenues" shall mean that revenue which each taxing authority received from the imposition of a tangible personal property tax on all personal property held as industrial inventories, including raw materials, work in progress and finished work on hand, by manufacturers and refiners, and all personal property held as goods, wares, merchandise, stock in trade or inventory for resale by distributors, wholesalers, or retail merchants or establishments in the last full tax year immediately preceding the effective date of the exemption from taxation granted for such property under subsection 1 of this section, and which was no longer received after such exemption became effective.**]**

Section 8. The state tax on real **[**and tangible personal**]** property, exclusive of the tax necessary to pay any bonded debt of the state, shall not exceed ten cents on the hundred dollars assessed valuation.

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